

take a larger role in Afghanistan. That's what we discussed. We have, of course, touched upon Iraq, the political developments in Iraq, the upcoming 1st of May for the transfer of sovereignty in Iraq, and a possible greater NATO role after that. We discussed the Balkans. We have discussed NATO-Russian relationship.

In other words, the full range of subjects NATO is dealing with, defending these values as an organization which is undergoing a fundamental transformation process, taking in, in a short time, new member states, seven new member states—it's a matter of weeks—transforming into an organization which can defend those values wherever there is a necessity in the world—be it in the Balkans, where NATO has been very

successful be it in Afghanistan; be it in Iraq, where NATO is now supporting the Polish-led multinational division and where NATO might take on a greater role when the sovereign Iraqi Government would ask NATO to do that.

So I very much enjoyed, Mr. President, my conversation with you. And I'm sure that with your support, with the support of the United States, and all the other NATO Alliance, we are going to make this a success.

Thank you so much.

NOTE: The President spoke at 2 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

The President's Radio Address

January 31, 2004

Good morning. This coming week, my administration will release our proposed budget for fiscal year 2005. In that detailed blueprint for Government spending, Americans will see my priorities clearly at work. We will devote the resources necessary to win the war on terror and protect our homeland. We'll provide compassionate help to seniors, to schoolchildren, and to Americans in need of job training. And we will be responsible with the people's money by cutting the deficit in half over 5 years.

With troops currently on the ground fighting our enemies, my budget increases defense spending by 7 percent, money that will go the pay for equipment, ammunition, and troop housing. We'll keep our military strong and ready for every challenge that may come. Since I took office, we have increased pay for our men and women in uniform by 21 percent. Next year, I propose raising their pay by another 3.5 percent. Our troops put their lives on the line

to defend America, and we owe them our best in return.

Given the continued terrorist threat against the American people, my budget nearly triples homeland security spending over 2001 levels, including an increase of nearly 10 percent next year, to \$30.5 billion. This money will help tighten security at our borders, airports, and seaports, and improve our defenses against biological attack. I'm proposing to raise the budget for the FBI by 11 percent, including a \$357 million increase in spending on counterterrorism activities. America will not let its guard down in our war on terror.

My budget also focuses on our priorities at home. This year, we'll begin moving towards prescription drug coverage under Medicare by providing drug discount cards to seniors. We'll also help lower-income seniors this year and next with up to \$600 in direct assistance for drug costs.

We're devoting additional resources to our schools to help them meet the higher

expectations set by the No Child Left Behind Act. My budget calls for a 49-percent increase over 2001 spending on our public schools. There will be additional money for early reading programs for schools in low-income areas and for enhanced Pell grant scholarships for students who complete a rigorous curriculum.

My budget also asks Congress to fund my Jobs for the 21st Century Initiative, which will help young people and adults gain the skills they need to fill the new jobs in our changing economy. This initiative will help high school students who are falling behind in reading and math by supporting better teaching methods. And with the support of Congress, we will provide new funding to America's fine community colleges to help them teach the skills our changing economy demands.

We're meeting these priorities within a responsible budget. Under my plan, overall discretionary spending will grow at less than 4 percent. And non-security-related spending would rise less than 1 percent, the smallest such proposed increase in 12 years. By exercising spending discipline in Washington, DC, we will reduce the deficit and meet our most basic priorities.

To assure that Congress observes spending discipline, now and in the future, I

propose making spending limits the law. This simple step would mean that every additional dollar the Congress wants to spend in excess of spending limits must be matched by a dollar in spending cuts elsewhere. Budget limits must mean something and not just serve as vague guidelines to be routinely violated. This single change in the procedures of the Congress would bring further spending restraint to Washington.

Americans expect Government to meet its most basic responsibilities, protecting citizens from harm and promoting prosperity and compassion at home. Americans also expect our Government to live within spending limits. My 2005 budget is designed to meet both of these goals, using tax dollars wisely and by focusing resources where they are most needed.

Thank you for listening.

NOTE: The address was recorded at 10:13 a.m. on January 30 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 31. The transcript was made available by the Office of the Press Secretary on January 30 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks to the 2004 Congress of Tomorrow Luncheon in Philadelphia, Pennsylvania

January 31, 2004

Thanks for coming. I thought I would give the State of the Union again. [*Laughter*] Actually, I'll spare you. I do want to thank the leadership for the House and the Senate, first and foremost, for being such good friends and great Americans. Speaker Denny Hastert is doing a fabulous job on behalf of the American people, and I want to thank Majority Leader Bill Frist for doing a fabulous job as well. I appre-

ciate your leadership. The country is better off by having these two good souls leading the Congress.

I want to thank McConnell, Santorum, and Kyl, DeLay, Blunt, and Deborah Pryce as well for sitting up here with me and for your leadership. I appreciate it very much. I'm proud to work with you.

I want to thank my friend Dennis Miller, who is here. I'm honored that he is here.